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Title : Need to have a look at the activities of FIIs in view of unprecedented fall in the stock market.

SHRI SUNIL KHAN (DURGAPUR): Sir, I would like to draw the attention, to the unprecedented fall in the stock market which is a matter of grave concern. It has once again underlined the volatile nature of the asset price boom taking place in India since the last two years. The bull run in stock market has been primarily driven by the FIIs, who have taken advantage of a liberal taxation regime to make enormous speculative profits. Media reports regarding a circular by the CBDT, containing instructions to assessing officers to help them distinguish between traders and investors, caused such panic and led to massive pullout of funds by the FIIs. Media reports suggest that the US Mutual Fund Industry has been lobbying with the Indian Revenue Department for some time to reduce even the existing tax burden.

I urge upon the UPA Government to be vigilant to the pressure and machinations of the FIIs, who have wrecked havoc in several developing countries by precipitating currency crisis in the past.